

CA1
FS 200
-Z005

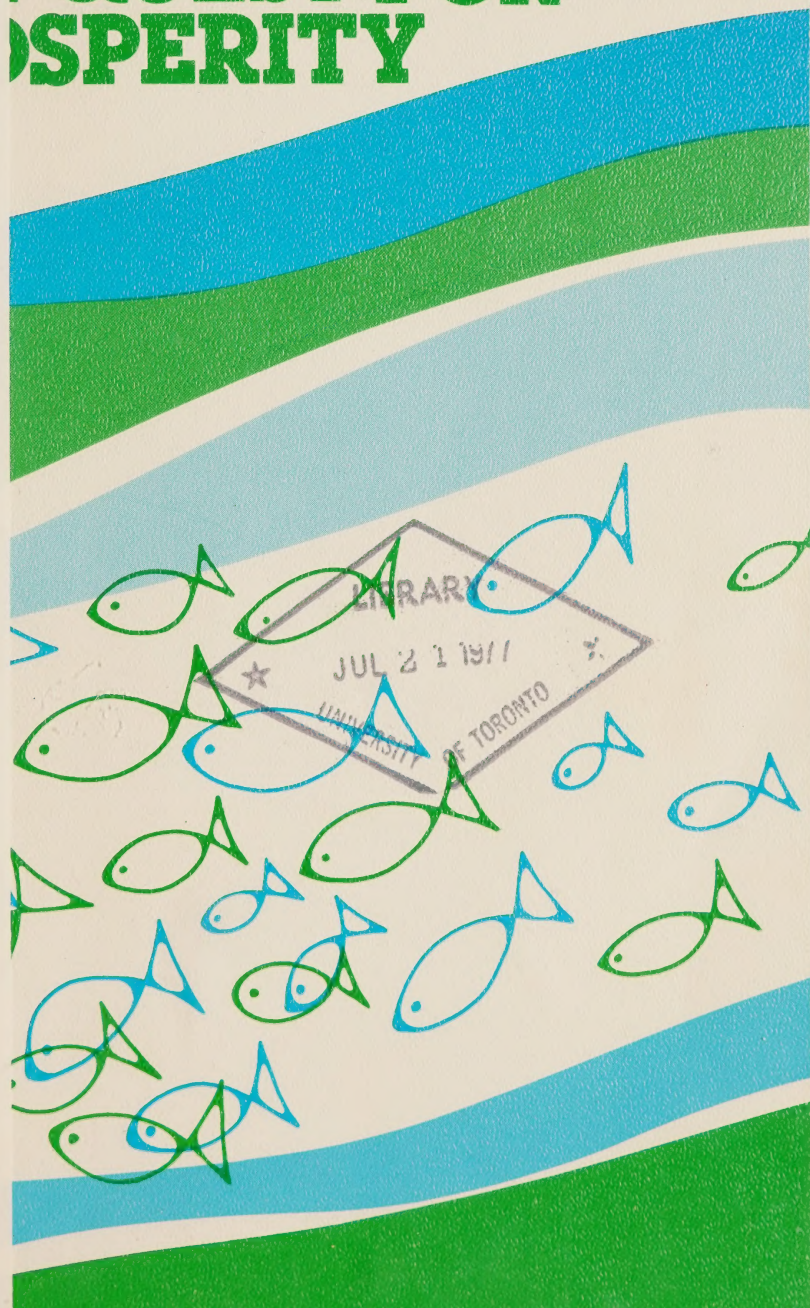
3 1761 11557802 3

Canada's Fisheries

5

Government
Publications

THE QUEST FOR PROSPERITY





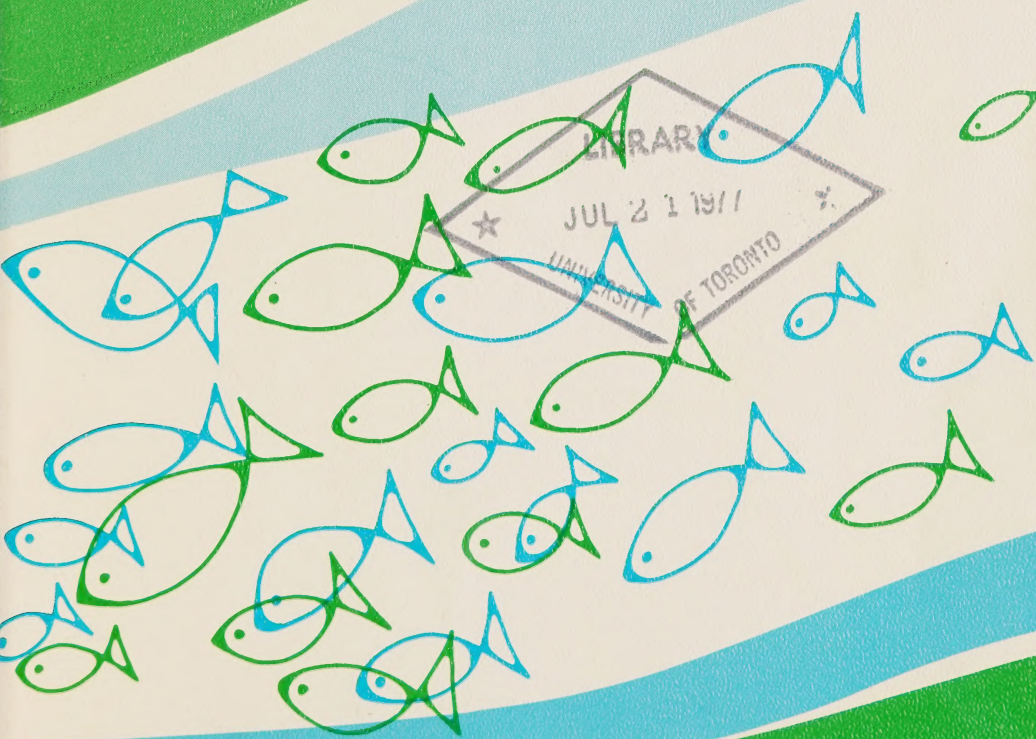
Canada's Fisheries

5

Government
Publications

THE QUEST FOR PROSPERITY

CAI
FS 200
-2005



Prepared by the Information Branch,
Fisheries and Marine Service
Department of Fisheries and the Environment
Ottawa, Ontario
K1A 0E6

March 1977

Canada's Fisheries

THE QUEST FOR PROSPERITY



Fisheries
and Environment
Canada

Fisheries
and Marine
Service

Pêches
et Environnement
Canada

Service
des pêches et
de la mer

© Minister of Supply and Services Canada 1977

Catalogue No. FS99-17/1977
ISBN 0-662-00689-5

Globe Printing & Lithographing (Toronto) Ltd.
Contract No. OKT-7-0492

Canada's Fisheries

THE QUEST FOR PROSPERITY

In the past, Canadian fishermen enjoyed an enviable freedom to fish wherever and whatever they wished. That was in the days when fish teemed in seemingly endless abundance around our shores and close by on the rich fishing banks first discovered off Newfoundland by John Cabot.

But in recent years things have changed. Massive fishing operations by foreign fleets, particularly off Canada's east coast, have had severe effects on the Canadian fishing industry. The fish that used to be there in such plenty have been harvested to excess; most stocks have been over-fished to the point where it is almost uneconomical to go out and catch them.

This has left Canada with a situation of having in many areas, too many fishermen chasing too few fish, too many processing plants, and too many fish exporters. This is all too evident in the Atlantic Region.

Faced with this reality, Fisheries Minister Roméo LeBlanc, late in 1974, launched the most thorough inquiry yet made into Canada's postwar fishing industry.

The study made it abundantly clear that fundamental reshaping of the Canadian fishing industry was inevitable. There appeared two alternatives: either the needed changes would come about in an orderly fashion under government supervision or, with no controlling hand, as a series of crises forced on the industry by relentless social and economic forces.

The document which resulted from the study (*Policy for Canada's Commercial Fisheries* *), reflects this. It leaves no doubt that the Government of Canada through its Fisheries and Marine Service expects to have a say in future decisions touching on the ultimate form of the industry.

This represents a basic change in government fisheries policy, which until now has tended to leave up to the industry fundamental decisions about industrial and trade developments.

Not that the Fisheries and Marine Service intends to make such decisions on its own, without reference to the views of the industry. Fishermen and other industry representatives have been assured that basic policy decisions will take account of the views and interests of all concerned.

The principal objective of the policy is to derive the best overall benefits for Canadians in general, and fishermen in particular. The policy itself calls for the government to play an active role, in cooperation with fishermen and processors, to develop a prosperous and vigorous fishing industry in the context of Canada's new 200-mile fisheries zone.

* Available free from the Information Branch, Fisheries and Marine Service, Ottawa, K1A 0E6, or FMS regional offices (for addresses see last page).

To implement this policy, a set of 25 main "strategies" (or policy frameworks) have been developed. They will serve as a guide for federal policy makers in designing and carrying out programs for the fishing industry. These proposed strategies are of great importance for anyone who wishes to understand the direction of federal fisheries policy.

Take for example strategy number one under **Fishing: Apply systems of entry control to all commercial fisheries**. Simply stated, this means that from now on anyone wanting to take up fishing as a profession will first have to get a permit for his vessel to enter the fishery, and permits will only be granted if there is room in the particular fishery for more fishermen.

However, there's more to it than that. To understand the significance of this strategy, one must look into the very nature of the fishery itself.

The fishery is what is known as a "Common Property Resource". That is, no individual person, company or province owns the fish in the sea. Rather, fish are held in common trust by all citizens, and fishermen are granted the privilege to catch them by the federal government. This is quite unlike the cow in the farmer's field, which belongs to the farmer.

The "common property" arrangement presents few problems when competition for available fish stocks is light, and there's plenty to go around. But, as competition increases and fishing intensity mounts, a familiar pattern develops.

At first, when the fishery is still young, profits can be very high. There is still a relatively unexploited stock of older, larger fish which make for big catches that are well suited for processing. These high profits act like a magnet and attract more and more vessels into the fishery. The stock of older fish is soon exhausted, and so landings drop, as does the average size of fish landed. It's now every man for himself. As landings drop, the cost of catching fish rises, and profit margins shrink or disappear. Some fishing companies fail, and those that survive do so as cripples in a struggling fishery. The solution is obvious enough: some way has to be found to limit entry. It's the first principle of modern fisheries management.

But in order to operate a system of limited entry, decisions must first be made as to how much fish it is safe to take from a particular stock year by year so as to maintain it in a healthy state.

The once-favoured approach of *maximum sustainable yield (MSY)** as a basis for setting total allowable catch (TAC) has been found to have several defects. In the first place it provides little margin of error for the scientists who each year make predictions about fish supply. But more significantly, fishing at the MSY level assumes that it is economically sound to do so – which is not always the case. The new policy requires that catch quotas be established on the basis of economic catching rates, with biology setting the limits. Until now the general approach has been to apply the MSY guideline separately, without too much thought given to the unbalancing effect this might have on other life forms in the ocean. The weakness of this approach has now been realized.

These truths have begun to dawn on the international fishing community. Canada, for its part, has made clear that with the extension of fisheries jurisdiction 200 miles off its coasts, the fishery will be managed on a "best use" basis, taking into account the overall effect on all species within the aquatic environment and ensuring that the best interests of Canadian society, both economic and social, will be served.

**Maximum sustainable yield (MSY)* is an assessment, based on scientific studies, of the greatest weight or numbers of fish that may be taken constantly year after year from a separately identified stock of a fish species. *Total allowable catch (TAC)* is the fish catch limit set for a particular stock.

ATLANTIC FISHERIES

The Problems

Nowhere are the problems of the Canadian fishing industry more profound or more obvious than in the Atlantic groundfish industry. The industry's troubles extend all the way from fishing through processing to the market place.

In fact, it was the state of large segments of the East Coast groundfish industry which in 1974 prompted the Government of Canada to launch the study which has since led to the recently announced policy for the country's commercial fisheries.

The catch statistics since 1951 (before the foreign fleets arrived in force) tell part of the story. In that year all the fleets combined took a total of 1,260,000 metric tons* of groundfish from the Northwest Atlantic. By 1965, with the foreign fleets present in force, the catch had risen to a peak of 2,829,000 metric tons.

It was more than the stocks could stand. By 1975 the groundfish catch in the area had fallen to 1,550,000 metric tons, with no comparable reduction in fishing effort.

Despite this decline and the rising cost of catching fish that went with it, Canada's offshore groundfish industry remained comparatively healthy during the early 1970's. Rapidly rising prices for fishery products helped to shield the industry from the approaching crisis. But, not for long.

Starting in 1973 meat prices began to drop on the United States market. Unfortunately for Canadian frozen groundfish exporters, who rely almost entirely on the American market, there was no similar drop in the retail price of fish. Demand for fish dropped off, and unsold supplies of groundfish began mounting. To add to the problem, the decline in sales was accompanied by an increase in the supply of low-priced fish products from other nations, particularly Japan and Korea. At the same time, partly because of the oil crisis in the fall of 1973, the cost of gear, fuel and labour shot upwards.

*A metric ton is equivalent to 1,000 kilograms or 2204.6 pounds

Special Aid

By mid-1974 the situation had reached crisis proportions as it became clear that large sections of the Atlantic groundfish industry were about to collapse. The industry appealed for help, and the Government of Canada responded with a \$10 million program of special aid. Since then federal government allocations for special aid to the Canadian fishing industry have amounted over a period of 2-1/2 years to \$130 million. That's in addition to the regular year-in year-out expenditures of more than \$200 million on fisheries management and research from federal and provincial sources.

The crisis left little doubt about the need for reshaping the groundfish industry. The resulting federal study demonstrated among other things the dangers of too many small firms competing for the same markets. There are some 80 Canadian groundfish exporters, only 40 of which are of any size. Lacking a common organization, Canadian exporters must individually compete with Scandinavian and other countries whose exporters have directed their marketing efforts through just one or two companies. These national export marketing organizations sell their products under a restricted number of brand names, thus assuring easy recognition by the consumer. Not surprisingly, improvement of export marketing and the competitive position of Canadian producers internationally ranks high on the list of concerns of the Fisheries and Marine Service.

The problems related to exporting are reflected in the situation in the processing industry. Estimates place present production capacity at approximately twice the annual catch. To remedy this, programs of technical and financial assistance for plant operators will in the future concentrate on the up-grading and consolidation of existing facilities.

As if problems in processing, catching and export marketing were not enough, the Canadian groundfish industry also shows evidence of some poor quality control. Competition for scarce fish during recent years has led to longer trips and smaller fish offshore, and a willingness to accept improperly handled fish inshore. The result in both cases has been a loss in quality. In some cases, foreign competitors have been able to get a better price for the same product because of misgivings about the quality of Canadian fish.

Among inshore fishermen, indifference to quality has been fostered by the knowledge that there was little hope of getting a better price for top quality fish. Federal policy is now aimed at altering this situation and, as an initial step, the current assistance program is limited to first quality fish.

A Brightened Future

It's not all a tale of woes. With expanded offshore jurisdiction effective January 1, 1977, the Canadian groundfish industry has every prospect of a bright future, providing that the industry comes to grips with its basic weaknesses.

One opportunity may be found in catching and processing species that are now usually discarded. Another could be in processing landings from foreign fleets, landings which the Canadian fleet are not equipped to take.

By far the biggest prospect for improvement in returns from the fisheries lies in the opportunity Canada will have to reduce the costs of catching fish as the heavy pressure on the fish stocks is brought under control. Within five to ten years, for example, half the fishing effort now expended in the Northwest Atlantic cod fishery could produce a catch approaching 85 per cent of the present level, with the catching efficiency of vessels increased by 50 to 90 per cent.

Even with extended jurisdiction, however, problems will remain for fishing communities with limited potential for development. Furthermore the changing of traditional fishing patterns is something that cannot be expected to be accomplished overnight.

An increase in landings cannot alone solve the problem; entry must be limited so that there are more fish per fisherman. Expansion should be based on the existing strength of manpower in the fleets. A prosperous and growing fishing industry can nevertheless produce more jobs in associated industries and services; and it can sustain small ports, small companies and the social and cultural values they represent.

Where it is feasible to expand, this expansion should look at earnings as well as fishing employment. In northeastern Newfoundland, some cod fishermen have increased their earnings by adding herring to their catch through the use of new fishing gear on their traditional boats. With individual fishermen earning more, new opportunities will develop in a variety of associated industries and services.

There are other opportunities in other areas. Take the Bay of Fundy herring fishery, for example. As the result of a joint initiative, involving both fishermen and the government, a larger proportion of the Fundy herring catch during 1976 was put into food production, rather than being used for meal and oil. In such cases, fishermen were paid about twice the usual price for their catches. This was achieved by the fishermen agreeing to individual boat quotas and a weekly limit on the catch. It's all part of a long-term federal program devised under the new policy aimed at increasing the contribution which our fish resources can make, not only to those directly involved in fishery activities, but to society as a whole.

Pacific Fisheries

On the West Coast both the salmon and herring fisheries have, during recent years, been brought under strict control with the clear aim of increasing returns to fishermen.

Salmon Enhancement

Much more significant for Pacific Canada, however, is an ambitious federal program aimed at doubling production of Pacific salmon through enhancement of stocks using technology developed by the Fisheries and Marine Service over the past 25 years. The fishery should be able to repay the multi-million dollar public investment required as a result of increased returns to fishermen, processors, plant workers and the entire community. The program will employ proven enhancement techniques including artificial spawning channels, stream improvements, lake fertilization, hatcheries and fishways. This program squares with the new federal policy of enhancing the natural habitat where conditions allow this approach.

Plans are now also being worked out with the governments of central provinces (to which administration of freshwater fisheries has been delegated) to make sure that the best possible use is made of the nation's freshwater fish resources – commercial as well as recreational.

Solutions For The Future

For areas where income from fishing is inadequate, and alternate jobs are not available outside of fishing, long-term measures of support are being considered. One such measure already adopted by the federal government provides for improved Unemployment Insurance benefits. Early retirement proposals are also being considered where overcrowding of fisheries presently occurs.

In the end, all of these strategies and the programs that arise from them have a common aim – the creation of a stable and prosperous Canadian fishing industry.

Atlantic Canada, in particular, has much to gain. Some 15 per cent of all communities in Atlantic Canada have no economic base other than fishing. Some 75 per cent of all communities in the region take part in the industry in one way or another. Without the fishing industry, large stretches of the Atlantic coast would be almost devoid of population.

Most Canadian fishing communities, with some notable exceptions, suffer from chronically low incomes. It is a situation that can be rectified. The fishing industry must be revitalized if those who depend on it for their livelihood are to enjoy the standard of living which most Canadians assume as a birthright.

With the cooperation of fishermen, companies and governments, the implementation of the policies discussed above can provide the essential ingredients for a vigorous and healthy fishery. Such an industry will not only ensure adequate incomes for most fishermen, but also provide employment for other workers within and outside the industry. In the long run, all the people of Canada will benefit.

The fishing grounds off Canada's coasts and in the vast freshwater areas have provided a livelihood for Canadians for over three centuries. These fishing grounds support one of the country's most valuable renewable resources; these are resources which we have a responsibility to protect and, wherever possible, enhance.

With the extension of fisheries jurisdiction to 200 miles, Canada can look forward to an exciting and challenging new era in its fisheries history. The path ahead to rehabilitate the fisheries industry may not be an easy one, but at least the direction in which we must travel is clear. The blueprint has been prepared.

With cooperation, understanding and goodwill on the part of all concerned, Canadians have the unique opportunity of building a fishing industry capable of offering rich rewards for all those actively involved in it, as well as making a significant contribution to the nation's economy. The promise of the future is bright indeed.

Regional Offices

Fisheries and Marine Service

PACIFIC:

1090 West Pender Street
VANCOUVER, B.C.
V6E 2P1

WESTERN:

Freshwater Institute
501 University Crescent
WINNIPEG, Man.
R3T 2N6

ONTARIO:

3050 Harvester Road
BURLINGTON (Ontario)
L7N 3J1

QUEBEC:

P.O. Box 15,500
901 Cap Diamant
QUEBEC, Que.
G1K 7X7

MARITIMES:

P.O. Box 550
HALIFAX, N.S.
B3J 2S7

NEWFOUNDLAND:

P.O. Box 5667
ST. JOHN'S, Nfld.
A1C 5X1

